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HOUSE BILL 2030

By Bunch

AN ACT to amend Tennessee Code Annotated, Title 56 and Title 71, relative to the declination to issue certain health insurance-related coverage based upon uninsurability.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 8, is amended by adding the following as a new section to be appropriately designated:

Section \_\_\_\_\_. (a) No person licensed pursuant to Title 56, Chapter 6, shall charge any fee for the taking of any application for health insurance, health care coverage, basic health care services, preferred provider plan furnished health care services, or point of service plan furnished health care services, in order to issue a declination of coverage for any person. No person licensed pursuant to Title 56, Chapter 6, shall charge any fee for advising concerning the taking of any application for health insurance, health care coverage, basic health care services, preferred provider plan furnished health care services, or point of service plan furnished health care services, related to issuance of a declination of coverage for any person.

(b) (1) For the purposes of this subsection, "licensed entity" shall collectively mean any person that is an accident and health insurance company, hospital and

medical service corporation, health maintenance organization, hospital service corporation and medical service corporation.

(2) No licensed entity or employee of a licensed entity shall charge any fee for the taking of any application for health insurance, health care coverage, basic health care services, preferred provider plan furnished health care services, or point of service plan furnished health care services, related to issuance of a declination of coverage for any person. No licensed entity or any employee of a licensed entity shall charge any fee for advising concerning the taking of any application for health insurance, health care coverage, basic health care services, preferred provider plan furnished health care services, or point of service plan furnished health care services, in order to obtain a declination of coverage for any person.

(c) This section shall not apply to a licensed entity's rate filing with the commissioner.

(d) A violation of the provisions of this section is a Class A misdemeanor.

SECTION 2. This act shall take effect July 1, 2000, the public welfare requiring it.